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Report faults U.S. counterspy efforts

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WASHINGTON — Too many U.S. officials hold too many secrets too loosely, according to a congressional report released yesterday on the nation's ability to fend off spies.

Sen. David Durenberger (R., Minn.), chairman of the Senate Intelligence Committee, which produced the 141-page study, deplored what he termed a "totally abysmal record" of protecting government and industrial secrets. These losses, he said, already had cost the United States "billions and billions and billions and billions."

"Based on the public and classified record, the committee has found the aggregate damage in recent years to

be far greater than anyone in the U.S. government has yet acknowledged publicly," the report said. "The inescapable conclusion is that the damage was immense."

Durenberger wants the U.S. counterespionage budget increased by at least \$500 million annually and a central authority created to manage spy-stopping efforts. Counterespionage now is carried out by the Federal Bureau of Investigation in the United States, the Central Intelligence Agency abroad and any of a half-dozen military security agencies when defense secrets are involved.

Durenberger said he supported the purchase over several years of \$1.2 billion worth of new "scrambler" phones for U.S. officials, a cost-of-

living allowance for the 400 FBI agents assigned to counterespionage duties in New York City and a "new approach" to defectors, including cash rewards.

The Intelligence Committee report also calls for "many more" re-checks of personnel cleared for secrets and a tougher background check on job candidates, including a credit check, intensive investigation of "recent life history" and an interview intended to discover "issues that may merit further investigation." Current procedures include none of those requirements, and the interview usually occurs at the end of an investigation.

To the traditional Soviet bloc targets of counterespionage efforts, the

Intelligence Committee would add spying from such nations as Israel and the People's Republic of China, each involved in recent spying episodes.

Defense Intelligence Agency personnel would be stationed for the first time inside the operations of defense contractors, and sensitive civilian satellite communications would be scrambled.

Banks would be required to turn over records to the FBI without a court order in counterespionage cases, subject to "a framework of attorney general guidelines and congressional oversight," the committee recommends. Disclosure of telephone records also would be required and warrantless searches permitted.

For the first time, Senate personnel with security clearances would be required to report contacts with known or suspected foreign intelligence agents.

In addition to the Intelligence Committee's measures, a planned five-year, \$44 billion State Department program to upgrade security at embassies abroad also includes numerous new measures to defeat spies, Durenberger said.

The Intelligence Committee's recommendations, produced in cooperation with counterspy agencies, are likely to encounter little resistance in a Congress alarmed by what Durenberger and others have called "The Year of the Spy." Between 1984 and 1986, according to the report, 25 people were convicted of espionage charges, with most of the convictions between mid-1985 and mid-1986. Durenberger said that a classified package of administration legislation would be introduced next week to carry out the proposed changes.

Among the faults uncovered by the committee's 15-month study were these:

- The Pentagon's most highly classified projects, called "special access programs," sometimes have lower security-clearance standards than merely "secret" programs.

- Warsaw Pact countries legally operate more than 60 U.S.-chartered corporations to which restrictions on the sale of advanced technology can rarely be applied.

- U.S. embassies abroad employ 9,800 foreign nationals and U.S. military facilities overseas employ 120,000 — overwhelming numbers for counterespionage personnel to deal with.